



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Economic Support
Bureau of Work Support Programs

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

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BWSP OPERATIONS MEMO

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Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: High

SUBJECT: CHANGE IN MA AVERAGE NURSING HOME PRIVATE PAY RATE

CROSS REFERENCE: Medical Assistance Handbook, Appendix 14.5.0

EFFECTIVE DATE: 12/01/2000

PURPOSE

This Memo tells you the new average nursing home private pay rate. This number is used to determine the length of Medicaid (MA) divestment penalty periods.

BACKGROUND

The average nursing home private pay rate is used to determine the length of the MA divestment penalty period. The divested amount is divided by the average nursing home private pay rate and the whole number quotient of that equation is the number of months that the individual is penalized for the divestment.

The average nursing home private pay rate is derived from the results presented in the annual report "*Wisconsin Nursing Homes and Residents*". This report presents key information about Wisconsin nursing homes and their residents. All facility and resident-based information is derived from the Annual Survey of Nursing Homes, conducted by the Division of Health Care Financing, Bureau of Health Information and Medicaid Program Bureaus.

The Annual Survey of Nursing Homes uses a survey date of December 31; that is, facilities are asked to report many survey items as of that date. To arrive at the average rate for the year 2000 we must look at the 1999 report. This report was published in November 2000 and includes data from December 31, 1999.

To arrive at the average private pay rate for nursing homes in Wisconsin, we have looked at the average private pay rate of facilities at the 4 most common levels of care:

1. Intensive Skilled Nursing (ISN)
2. Skilled Nursing Facility (SNF)
3. Intermediate Care Facility (ICF-1)
4. Limited Care Facility (ICF-2)

Most of the recipients in nursing homes are at the Skilled Nursing Facility level of care. As you see in the following table, more than 8,000 nursing home residents reside at the SNF level of care with only less than 1,500 at the other 3 levels of care. A weighted average is used to arrive at the average nursing home private pay rate to compensate for uneven distribution in the 4 different facilities.

To calculate the weighted average, we multiplied the per diem cost times the number of residents to arrive at a daily figure. We then totaled the daily figures for each type of facility and divided by the total number of residents to get a daily average. Finally, we multiplied the daily average times 365 to arrive at an annual figure. We then divided this annual figure by 12 months to get an average of \$4,075.00.

FACILITY TYPE	PER DIEM COST	RESIDENTS ON 12/31/99	DAILY FIGURE	WEIGHTED AVERAGE
Intensive Skilled Nursing	\$151	229	\$ 34,579	
Skilled Nursing Facilities	\$135	8,163	\$ 1,102,005	
Intermediate Care Facilities	\$124	1,056	\$ 130,944	
Limited Care Facilities	\$111	77	\$ 8,547	
Totals		9,525	1,276,075	
Weighted Average Private Pay Cost / Month ➤				\$ 4,074.96

IMPLEMENTATION

Use this new average nursing home private pay rate (\$ 4,075.00) to determine the length of all new divestment penalty periods beginning on the date this memo is received.

For divestments that have been calculated prior to that date, refigure those divestment penalty periods that began on or after 12/1/00 using the new average amount when requested by the applicant/recipient or his/her representative.

CONTACT

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Note: Email contacts are preferred. Thank you.